GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2581
ANSWERED ON:16.12.2004
MONEY SPENT FOR UNPRODUCTIVE PURPOSES
Patil Shri Balasaheb Vikhe

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that oil companies have been spending money on unproductive purposes such as fairs, renovation of the Government officers, sports etc. having no commercial value;

(b) if so, the expenditure incurred on these activities during the last three years and their impact on the prices of petroleum products; and

(c) whether the Government propose to take steps to ensure economy and optimum level of performance by oil companies so that common men are not forced to pay for extravaganza of oil companies?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b) Oil Companies have not incurred any expenditure on unproductive purposes. However, Oil Public Sector Undertakings (PSUs) have incurred meagre amount on fairs, sports, in pursuance of their corporate social responsibilities and in order to improve their corporate image. Oil sector PSUs generally spend upto 0.75% of their profits after tax on their corporate social responsibilities. Since pricing of petroleum products is not on a cost plus profit basis, the question of impact of these activities on the prices of petroleum products does not arise.

(c) Government have issued guidelines on economy, austerity measures required to be followed by all oil PSUs. These guidelines include, interalia, restriction on foreign travel, conferences, seminars, workshops, ban on purchase of new vehicles, timely repayment of loans, 10% cut on POL and travel etc.